

LEGISLATIVE COUNSEL  
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93<sup>RD</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3394

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## IN THE SENATE OF THE UNITED STATES

APRIL 29, 1974

MR. SPARKMAN (by request) introduced the following bill; which was read twice  
and referred to the Committee on Foreign Relations

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## A BILL

To amend the Foreign Assistance Act of 1961, and for other  
purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the "Foreign Assistance Act  
4       of 1974".

### TITLE I

#### MIDDLE EAST PEACE

5  
6  
7       SEC. 2. The Foreign Assistance Act of 1961 is amended  
8       by adding at the end thereof the following new part:

II

## 1 "PART VI

2 "SEC. 901. STATEMENT OF POLICY.—The Congress  
3 recognizes that a peaceful and lasting resolution of the di-  
4 visive issues that have contributed to tension and conflict  
5 between nations in the Middle East is essential to the se-  
6 curity of the United States and the cause of world peace.  
7 The Congress declares and finds that the United States can  
8 and should play a constructive role in securing a just and  
9 durable peace in the Middle East by facilitating increased  
10 understanding between the Arab nations and Israel, and by  
11 assisting the nations in the area in their efforts to achieve  
12 economic progress and political stability, which are the es-  
13 sential foundations for a just and durable peace. It is the  
14 sense of Congress that United States assistance programs in  
15 the Middle East should be designed to promote mutual re-  
16 spect and security among the nations in the area and to fos-  
17 ter a climate conducive to increased economic development,  
18 thereby contributing to a community of free, secure, and  
19 prospering nations in the Middle East.

20 "SEC. 902. GENERAL AUTHORITY.—The President is au-  
21 thorized to furnish, on such terms and conditions as he may  
22 determine, assistance authorized by this Act and credits and  
23 guaranties authorized by the Foreign Military Sales Act in  
24 order to carry out the purposes of this part.

25 "SEC. 903. ALLOCATIONS.—(a) Of the funds appropri-

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1 ated to carry out chapter 2 of part II of this Act, during the  
2 fiscal year 1975 up to \$100,000,000 may be made available  
3 for military assistance in the Middle East.

4 “(b) Of the funds appropriated to carry out chapter 4  
5 of part II of this Act, during the fiscal year 1975 up to  
6 \$377,500,000 may be made available for security support-  
7 ing assistance in the Middle East.

8 “(c) Of the aggregate ceiling on credits and guaranties  
9 established by section 31 (b) of the Foreign Military Sales  
10 Act, during the fiscal year 1975 up to \$330,000,000 shall  
11 be available for countries in the Middle East.

12 “SEC. 904. (a) SPECIAL REQUIREMENTS FUND.—  
13 There are authorized to be appropriated to the President for  
14 the fiscal year 1975 not to exceed \$100,000,000 to meet  
15 special requirements arising from time to time in carrying out  
16 the purposes of this part, in addition to funds otherwise avail-  
17 able for such purposes. The funds authorized to be appropri-  
18 ated by this section shall be available for use by the Presi-  
19 dent for assistance authorized by this Act in accordance with  
20 the provisions applicable to the furnishing of such assistance.  
21 Such funds are authorized to remain available until expended.

22 “(b) The President shall keep the Committee on For-  
23 eign Relations and the Committee on Appropriations of the  
24 Senate and the Speaker of the House of Representatives cur-

1 rently informed on the programing and obligation of funds  
2 under subsection (a).”

3 SEC. 3. Section 620 (p) of the Foreign Assistance Act  
4 of 1961 is repealed.

## 5 TITLE II

### 6 INDOCHINA POSTWAR RECONSTRUCTION

7 SEC. 4. Section 802 of the Foreign Assistance Act of  
8 1961 is amended to read as follows:

9 “SEC. 802. AUTHORIZATION.—There are authorized to  
10 be appropriated to the President to furnish assistance for  
11 relief and reconstruction of South Vietnam, Cambodia, and  
12 Laos as authorized by this part, in addition to funds other-  
13 wise available for such purposes, for the fiscal year 1974 not  
14 to exceed \$504,000,000, and for the fiscal year 1975 not to  
15 exceed \$939,800,000 which amounts are authorized to re-  
16 main available until expended.”

## 17 TITLE III

### 18 FOREIGN ASSISTANCE ACT AMENDMENTS

#### 19 DEVELOPMENT ASSISTANCE AUTHORIZATIONS

20 SEC. 5. Section 103 of the Foreign Assistance Act of  
21 1961 is amended by striking out the words “\$291,000,000  
22 for each of the fiscal years 1974 and 1975” and inserting in  
23 lieu thereof “\$291,000,000 for the fiscal year 1974, and  
24 \$546,300,000 for the fiscal year 1975”.

## 1 HOUSING GUARANTIES

2 SEC. 6. Section 223 (i) of the Foreign Assistance Act  
3 of 1961 is amended by striking out "June 30, 1975" and  
4 inserting in lieu thereof "June 30, 1976".

## 5 INTERNATIONAL ORGANIZATIONS AND PROGRAMS

6 SEC. 7. Section 302 (a) of the Foreign Assistance Act of  
7 1961 is amended by striking out the words "for the fiscal  
8 year 1975, \$150,000,000" and inserting in lieu thereof "for  
9 the fiscal year 1975, \$153,900,000".

## 10 MILITARY ASSISTANCE

11 SEC. 8. (a) Chapter 2 of part II of the Foreign As-  
12 sistance Act of 1961 is amended as follows:

13 (1) In section 504 (a), strike out "\$512,500,000  
14 for the fiscal year 1974" and insert in lieu thereof  
15 "\$985,000,000 for the fiscal year 1975."

16 (2) In section 506 (a) —

17 (A) Strike out "the fiscal year 1974" in each  
18 place it appears and insert in lieu thereof "the fiscal  
19 year 1975"; and

20 (B) At the end of subsection (a) add the  
21 following sentence: "Orders not exceeding \$250,-  
22 000,000 in value may be issued under this sub-  
23 section, upon such determination, during the period  
24 of any succeeding fiscal year that precedes the

S. 3394—2

1 enactment of legislation authorizing appropriations  
2 for military assistance for that fiscal year.”.

3 (3) After section 506, add the following new  
4 section:

5 SEC. 507. LIMITATION ON THE GRANT OF EXCESS  
6 DEFENSE ARTICLES.—

7 “(a) Except as provided in section 506, the aggregate  
8 value of excess defense articles ordered during the fiscal  
9 year 1975 under this chapter for foreign countries and inter-  
10 national organizations shall not exceed \$150,000,000.

11 “(b) The Secretary of State shall promptly and fully  
12 inform the Speaker of the House of Representatives and the  
13 Committee on Foreign Relations and the Committee on  
14 Appropriations of the Senate of each decision to furnish on a  
15 grant basis to any country excess defense articles which are  
16 major weapons systems to the extent such major weapons  
17 system was not included in the presentation material pre-  
18 viously submitted to the Congress. Additionally, the Secre-  
19 tary of State shall also submit a quarterly report to the Con-  
20 gress listing by country the total value of all deliveries of  
21 excess defense articles, disclosing both the aggregate original  
22 acquisition cost and the aggregate value at the time of de-  
23 livery.”

24 (b) Section 655 (c) of the Foreign Assistance Act of

1 1961 shall not apply to assistance authorized under any pro-  
2 vision of law for the fiscal year 1975.

3 (c) Section 8 of the Act entitled "An Act to amend the  
4 Foreign Military Sales Act, and for other purposes", ap-  
5 proved January 12, 1971 (84 Stat. 2053), as amended,  
6 is repealed, effective July 1, 1974.

7 SECURITY SUPPORTING ASSISTANCE

8 SEC. 9. Section 532 of the Foreign Assistance Act of  
9 1961 is amended by striking out "for the fiscal year  
10 1974 not to exceed \$125,000,000, of which not less than  
11 \$50,000,000 shall be available solely for Israel" and insert-  
12 ing in lieu thereof "for the fiscal year 1975 not to exceed  
13 \$385,500,000".

14 TITLE IV

15 FOREIGN MILITARY SALES ACT AMENDMENTS

16 SEC. 10. (a) The Foreign Military Sales Act is amended  
17 as follows:

18 (1) Section 3 (d) is amended to read as follows:

19 "(d) A country shall remain ineligible in accordance  
20 with subsection (c) of this section until such time as the  
21 President determines that such violation has ceased, that the  
22 country concerned has given assurances satisfactory to the  
23 President that such violation will not recur, and that, if such  
24 violation involved the transfer of sophisticated weapons with-

1 out the consent of the President, such weapons have been  
2 returned to the country concerned.”

3 (2) In section 24 (a) and section 24 (b) the paren-  
4 thetical phrase in each is amended to read: “(excluding  
5 United States Government agencies other than the Fed-  
6 eral Financing Bank)”.

7 (3) Section 24 (c) is amended to read as follows:

8 “(c) Funds made available to carry out this Act shall  
9 be obligated in an amount equal to 25 per centum of the  
10 principal amount of contractual liability related to any guar-  
11 anty issued prior to July 1, 1974, under this section. Funds  
12 made available to carry out this Act shall be obligated in an  
13 amount equal to 10 per centum of the principal amount of  
14 contractual liability related to any guaranty issued after  
15 June 30, 1974, under this section. All the funds so obligated  
16 shall constitute a single reserve for the payment of claims  
17 under such guaranties, and only such of the funds in the  
18 reserve as may be in excess from time to time of the total  
19 principal amount of contractual liability related to all out-  
20 standing guaranties under this section shall be deobligated  
21 and transferred to the general fund of the Treasury. Any  
22 guaranties issued hereunder shall be backed by the full faith  
23 and credit of the United States.”

24 (4) In section 31—

25 (A) Subsection (a) is amended by striking



1 out "\$325,000,000 for fiscal year 1974" and in-  
2 serting in lieu thereof "\$555,000,000 for the fiscal  
3 year 1975"; and

4 (B) Subsection (b) is amended by striking out  
5 "\$73,000,000 for the fiscal year 1974, of which  
6 amount not less than \$300,000,000 shall be avail-  
7 able to Israel only" and inserting in lieu thereof  
8 "\$872,500,000 for the fiscal year 1975."

9 (5) In section 33—

10 (A) subsection (a) is repealed;

11 (B) subsection (b) is redesignated as subsec-  
12 tion (a); and

13 (C) a new subsection (b) is added as follows:

14 "(b) The President may waive the limitations of this  
15 section when he determines it to be important to the security  
16 of the United States and promptly so reports to the Speaker  
17 of the House of Representatives and the Committee on For-  
18 eign Relations of the Senate."

19 (b) Obligations initially charged against appropriations  
20 made available for purposes authorized by section 31 (a) of  
21 the Foreign Military Sales Act after June 30, 1974, and  
22 prior to the enactment of the amendment of that Act by  
23 paragraph (3) of subsection (a) of this section in an amount  
24 equal to 25 per centum of the principal amount of contrac-  
25 tual liability related to guaranties issued pursuant to section

1 24 (a) of that Act shall be adjusted to reflect such amend-  
2 ment with proper credit to the appropriations made available  
3 in the fiscal year 1975 to carry out that Act.

98th CONGRESS  
2d Session

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**A BILL**

To amend the Foreign Assistance Act of 1961,  
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By Mr. SPARKMAN

April 29, 1974  
Read twice and referred to the Committee on  
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